

ORDINANCE NO. 06-17

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA,  
APPROVING THE ISSUANCE BY THE UTILITY BOARD OF  
THE CITY OF KEY WEST, FLORIDA, OF ELECTRIC  
SYSTEM REFUNDING AND CAPITAL IMPROVEMENT  
REVENUE BONDS, SERIES 2006, IN AN AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$42,000,000;  
PROVIDING FOR SEVERABILITY; PROVIDING FOR  
REPEAL OF INCONSISTENT PROVISIONS; PROVIDING  
FOR AN EFFECTIVE DATE

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF KEY WEST,  
FLORIDA:

Section 1. AUTHORITY FOR THIS ORDINANCE. This  
ordinance is enacted pursuant to the provisions of Chapter 69-  
1191, Laws of Florida (1969), the City of Key West Code of  
Ordinances 21.14 (the "Act"), and other applicable provisions  
of law.

Section 2. FINDINGS. It is hereby found, determined,  
and declared by the City Commission (the "Commission") of the  
City of Key West (the "City"), as follows:

A. Pursuant to the provisions of Chapter 69-1191, Laws of Florida (1969), and Chapter 21 of the Code of Ordinances of the City, the electric light and power plant and distribution system (the "System") for the production and distribution of electricity both within and without the City is managed, operated, maintained and controlled fully, completely, and exclusively by the Utility Board of the City of Key West, Florida (the "Board") known as Keys Energy.

B. The Board has determined that it is necessary and desirable and in the best interest of the customers and ratepayers of the System to acquire and construct certain additions, extensions and improvements to the System (the "Project"), and to refund the obligation of the Board to pay loan payments to Florida Municipal Power Agency ("FMPA") as provided in a Loan Agreement, dated as of March 15, 2005, as modified, between the Board and FMPA, outstanding in an aggregate principal amount of \$948,000 (the "Refunding"), through the issuance of Electric System Refunding and Capital Improvement Revenue Bonds, Series 2006, in an aggregate principal amount not to exceed \$42,000,000 (the "Series 2006 Bonds").

C. The City is required by the provisions of the Act to approve the issuance of Series 2006 Bonds by the Board.

Section 3. APPROVAL OF BONDS. The issuance by the Board of not exceeding \$42,000,000 Electric System Refunding and Capital Improvement Revenue Bonds, Series 2006, for the purpose of financing the cost of the Project and the Refunding is hereby approved. The Series 2006 Bonds shall be secured solely by a lien upon and pledge of the revenues derived by the Board from the operation of the System and shall not constitute a debt or obligation of the City.

Section 4. If any section, provision, clause, phrase, or application of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, the remaining provisions of this Ordinance shall be deemed severable therefrom and shall be construed as reasonable and necessary to achieve the lawful purposes of this Ordinance.

Section 5. All Ordinances or parts of Ordinances of said City in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.


Section 6. This Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Read and passed on first reading at a regular meeting held this 6 day of September, 2006.

Read and passed on final reading at a regular meeting held this 19 day of September, 2006.

Authenticated by the presiding officer and Clerk of the Commission on 20 day of September, 2006.

Filed with the Clerk September 20, 2006.

  
MORGAN McPHERSON, MAYOR

ATTEST:

  
CHERYL SMITH, CITY CLERK